Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Contact Us

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Contents

The next release is Aug. 3, '06

WEEKLY HIGHLIGHTS

Strong Exports And High Barge Rates Boost Rail Volumes

For the week ending July 20, total grain export inspections increased 10 percent from the previous week. Ocean rates continue to favor the U.S. Gulf for grain shipments. However, inspections from the Pacific Northwest (PNW) increased by 45 percent from the previous week, while U.S. Gulf inspections were down 3 percent. Higher barge rates may be adding to the cost of shipping grain through the U.S. Gulf, making rail more attractive than barge for shipping grain through the Gulf, as well as favoring rail shipments to the PNW port region.

Corn and Soybean New Crop Export Sales Significantly Stronger Than Last Year

For the week ending July 13, corn and soybean export sales for the 2006/07 marketing year are 279 and 255 percent higher, respectively, than the same time last year. This increase may be due to a temporary drop in corn prices. The majority of new crop sales of corn have been to Japan, Mexico, and Canada. New crop sales of soybeans have been to Japan and China.

Class I Railroads Report Being Prepared for Fall Peak Season

Six Class I railroads (BNSF, UP, CN, KCS, NS, and CSX) reported being prepared for the 2006 peak shipping season in their responses to the Surface Transportation Board Chairman's request that railroads provide this information. The key issues included forecast of traffic demand for the peak shipping season, performance goals, plans to achieve those goals, and plans to communicate these goals to customers.

Ethanol Distribution Infrastructure Improvements

A new ethanol terminal in Manly, IA is scheduled to open in April. The facility will improve ethanol distribution by consolidating shipments into larger 70- to 95-car trains. This area of northern Iowa is slated to have nearly half of U.S. ethanol production capacity by the end of 2009. **Union Pacific Railroad**, in its response about fall peak season readiness, stated improvements were being made to serve the ethanol industry in Eagle Grove and Iowa Falls, IA, and Mankato, MN.

Panama Canal Expansion May Increase U.S. Competitiveness in Grain Shipping

Panamanian electorate will vote on a $5.25 billion expansion project for the Panama Canal on October 22, following the approval of the project by Panamanian National Assembly and signing by President Torrijos on July 24. The proposed project will create new, wider locks that will allow passage of larger vessels and reduce lockage and transit times. During Fiscal Year 2005 (Oct-Sep), about 18.6 million metric tons (mmt) of grain were shipped from the United States to the Pacific Rim through the canal. Grain makes up 39 percent of total cargo from the United States that passed through the canal en route to the Pacific Rim. As of July 2006, about 22.8 mmt of grain were shipped from the United States to the Pacific.

Snapshot by Sector

Barge

For the week ending July 22, southbound barge **grain shipments** totaled 865 thousand tons, 22 percent higher than the last 3-year average for the same week. Year-to-date totals for barge grain shipments were 8 percent higher than last year.

Ocean

As of July 25, ocean freight rates for shipping grains from the U.S. Gulf to Japan were $40.58 per metric ton (mt), for PNW to Japan route were $30.62 per mt, and the spread was $9.96 per mt, up 0.72 from last week.

Rail

For the 4-weeks ending July 19, rail deliveries to **Mississippi Gulf ports** were up 230 percent from the same period last year. **Rail grain movements**, as well as intermodal and total carload traffic remained strong this week. Plummeting **secondary rail** rates for August and September reflect shipper expectations that rail capacity constraints for grain will diminish.

Feature Article/Calendar

Senate Approves Inland Waterways Bill. On July 19, the Senate approved its version (S.728) of the Water Resource Development Act (WRDA). WRDA calls for $11.7 billion in improvements to rivers and harbors in the United States. The House passed a similar bill last year authorizing about $10 billion in projects. WRDA was supposed to be reauthorized every other year but, due to disagreements over funding and the methods used by the U.S. Army Corps of Engineers (Corps) in reviewing and approving projects, it has not been reauthorized since 2000. Of particular interest to agricultural shippers is the proposal for 7 new locks on the Mississippi and Illinois Rivers that will allow easier passage of domestic goods to the Gulf of Mexico for export. The Gulf-Mississippi River is the largest grain export region, usually handling 55–60 percent of U.S. grain exports. In 2005, due to hurricane-related disruptions, the Gulf-Mississippi River share fell to 49 percent.

The Senate approved, by a vote of 54-46, an amendment requiring all river and harbor projects costing more than $40 million to be independently reviewed. The review would address costs, environmental impacts, and engineering and design requirements. Waterway user interests assert that the amendment will slow negotiations between the House and Senate and stall future projects. No time has been set for a conference committee to address differences between the House and Senate bills. The White House has expressed strong concerns over the cost of the measure

If WRDA passes and funding is obtained for the 7 new locks, construction would begin between 2009 and 2017, and finish between 2018 and 2026. *Nick.Marathon@usda.gov*

Class I Railroads Prepared for 2006 Fall Peak. Six Class I railroads (BNSF, UP, CN, KCS, NS, and CSX) reported being prepared for the 2006 peak shipping season in their responses to the Surface Transportation Board Chairman's request that railroads provide information on their preparedness. The key issues included forecast of traffic demand for the peak shipping season, performance goals, plans to achieve those goals, and plans to communicate these goals to customers. Several railroads also provided views on Government policies, including support of the current regulatory structure (NS, CSX), full recovery of fuel expenses (CSX), and the 25-percent investment credit (BNSF).

Although all railroads are anticipating another record-setting peak shipping season—especially in international intermodal and coal volumes—specific expectations for fall demand varied. **UP** reports signs that there is no longer a traditional "peak season"—May and June 2006 were the two largest volume months ever for UP and the record month for carloadings had been set outside the traditional peak season. UP does not expect a significant peak in grain shipments this fall. In fact, UP expects grain volumes on its network may be softer due to weak wheat exports. UP was the only railroad that reported infrastructure improvements affecting ethanol distribution, specifically in Eagle Grove and Iowa Falls, IA, and Mankato, MN. **CN** is currently experiencing a backlog of basic orders for grain cars; however, CN customers have an option to move grain by paying a premium based on CN auction or by buying Premium Service Trains. **KCS** expects full implementation of the shuttle grain trains that started last fall and an increase of 10 train sets for unit grain trains in anticipation of fall harvest.

Key performance metrics reported by most of the Class I railroads included cars on line (a measure of fluidity), terminal dwell time, system velocity, and on-time originations. Performance metrics showed improvements following capital investments over the past year. All six Class I railroads reported continued large capital investments and improvements to meet peak demand. Most investments and improvements will be in new locomotive and railcar acquisitions, new employee training, new intermodal offerings, and improved efficiency in operations. In addition to communicating goals and plans to their customers through regular communication channels, the railroads are planning to attend the Association of American Railroads' (AAR) Rail Customer Service Forum in St. Louis on September 13.
Source: www.stb.dot.gov (July 20 - Rail peak-season service response posted.), www.aar.org.
Marina.Denicoff@usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

Week ending	Truck	Rail[2]	Barge	Ocean: Gulf	Ocean: Pacific
07/26/06	198	202	276	182	217
07/19/06	196	84	292	176	213

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

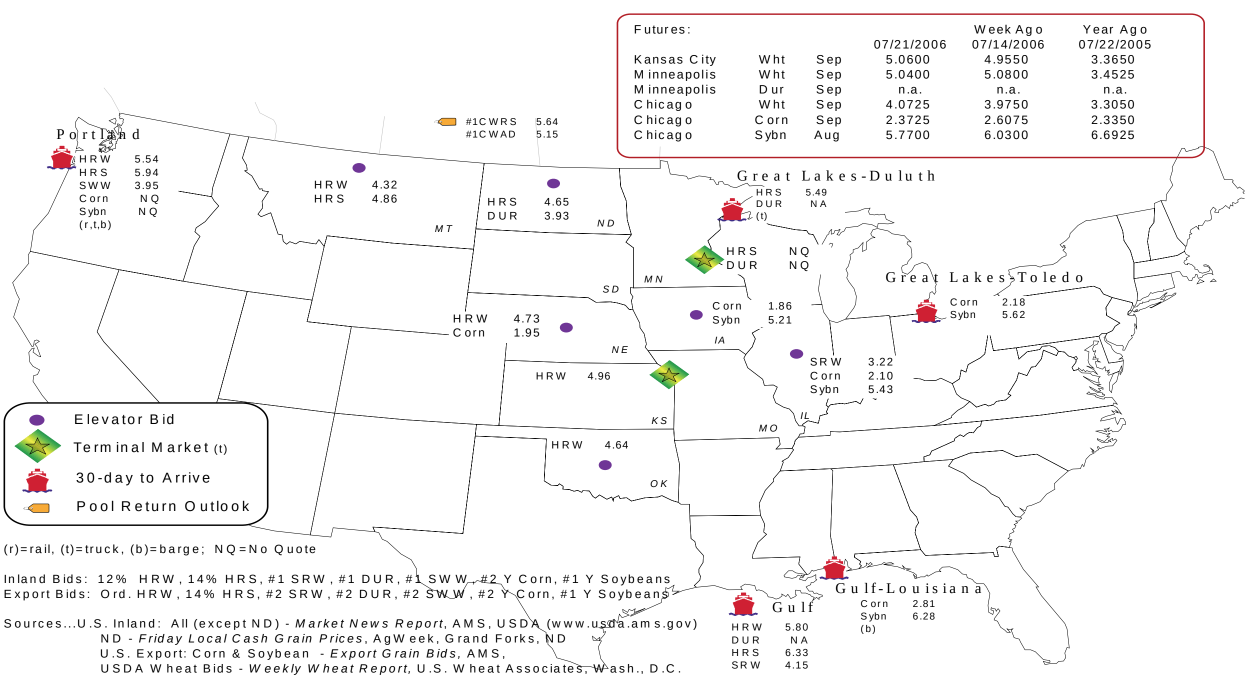
Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	7/21/2006	7/14/2006
Corn	IL--Gulf	-0.71	-0.67
Corn	NE--Gulf	-0.86	-1.00
Soybean	IA--Gulf	-1.07	-1.04
HRW	KS--Gulf	-0.84	-0.85
HRS	ND--Portland	-1.29	-1.32

Note: nq = no quote

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1
Grain bid summary



Rail Transportation

Table 3

Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf [2]	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
7/19/2006[p]	1,646	1,322	838	3,769	412	7,987
7/12/2006[r]	1,463	1,742	895	4,600	411	9,111
2006 YTD	43,997	60,708	25,526	117,779	12,765	260,775
2005 YTD	27,094	48,365	36,894	123,644	7,730	243,727
2006 YTD as % of 2005 YTD	162	126	69	95	165	107
Last 4 weeks as % of 2005 [3]	330	81	64	109	369	111
Last 4 weeks as % of 4-year avg.[3]	n/a	84	91	139	188	n/a
Total 2005	50,696	99,079	61,151	224,079	15,690	450,695
Total 2004	41,957	93,500	58,843	208,334	10,957	407,143

[1] Data is incomplete as it is voluntarily provided; [2] Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; [3] Compared with same 4-weeks in 2005 and prior 4-year average; [4] Includes 53rd week.

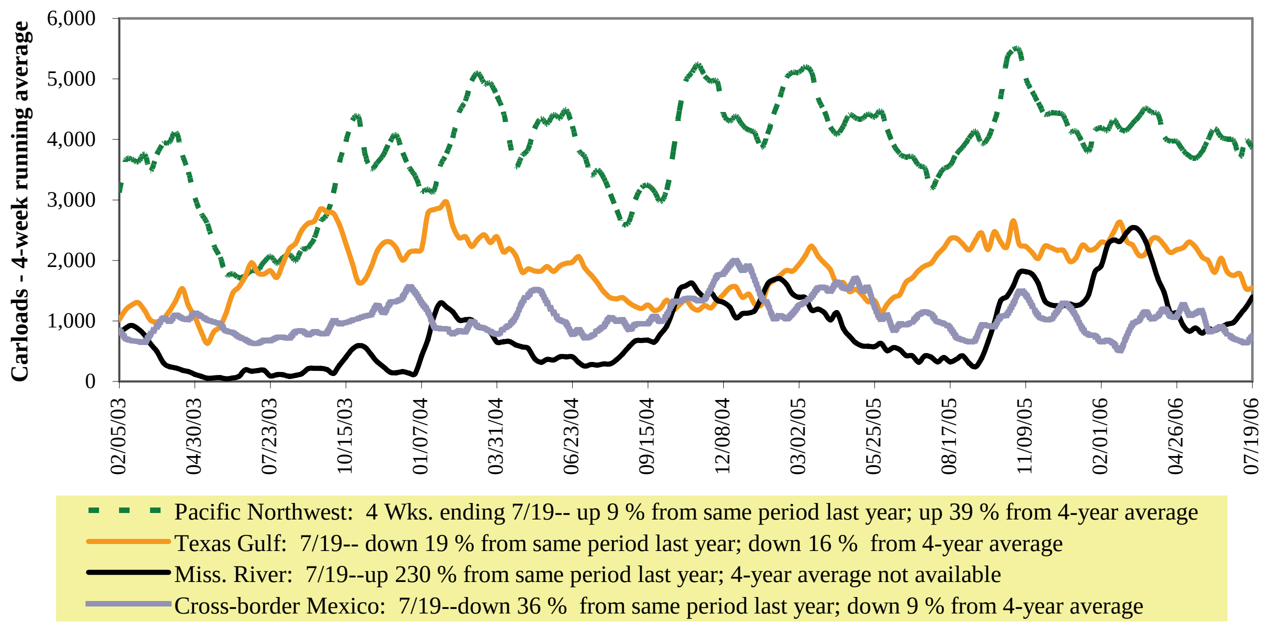
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 33 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

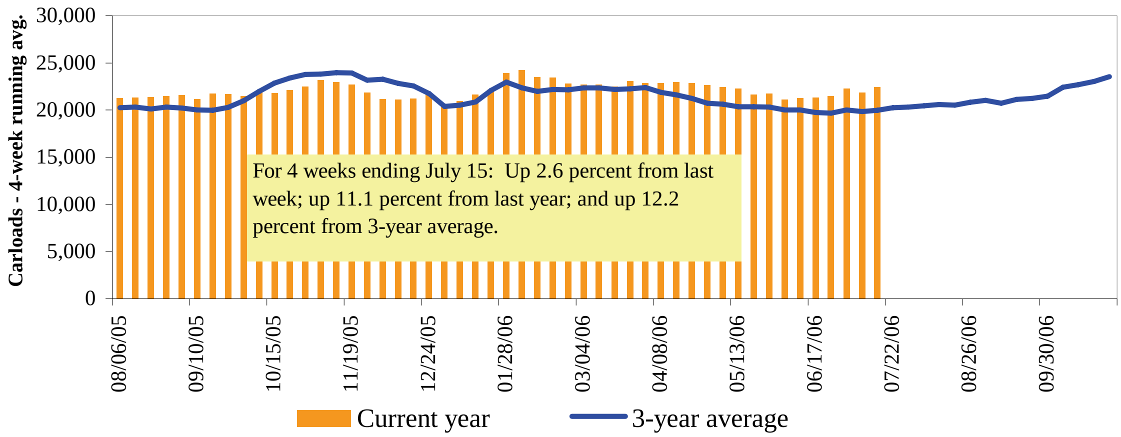
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
07/15/06	3,492	2,961	9,779	597	6,319	23,148	4,413	4,610
This week last year	3,224	2,949	8,489	645	5,908	21,215	3,422	3,737
2006 YTD	86,485	90,352	271,733	16,087	167,258	631,915	131,649	121,874
2005 YTD	83,715	92,638	253,395	16,661	166,206	612,615	115,694	110,912
2006 YTD as % of 2005 YTD	103	98	107	97	101	103	114	110
Last 4 weeks as % of 2005[1]	105	106	120	100	105	111	137	118
Last 4 weeks as % of 3-yr avg.[1]	113	104	129	99	96	112	125	114
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

[1]As a percent of the same period in 2005 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Rail Car Auction Offerings[1] ($/car)[2]

Week ending 7/22/2006	Delivery period: Aug-06	Aug-05	Sep-06	Sep-05	Oct-06	Oct-05	Nov-06	Nov-05	Dec-06	Dec-05
BNSF[3]										
COT grain units	no offer	n/a	no offer	no offer	no offer	no offer	no offer	300	no bids	n/a
COT grain single-car[5]	no offer	n/a	6..16	n/a	0..2	n/a	0	n/a	0	n/a
UP[4]										
GCAS/Region 1	no offer	n/a	no offer	4	no offer	no offer	no offer	no offer	no offer	n/a
GCAS/Region 2	no offer	n/a	no offer	no offer	no offer	no offer	no offer	no offer	no offer	n/a

[1]Auction offerings are for single-car and unit train shipments only.

[2]Average premium/discount to tariff, last auction

[3]BNSF - COT = Certificate of Transportation; N. grain and S. grain bids were combined effective the week ending 6/24/06.

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

[5]Range is shown because average is not available. Not available = n/a.

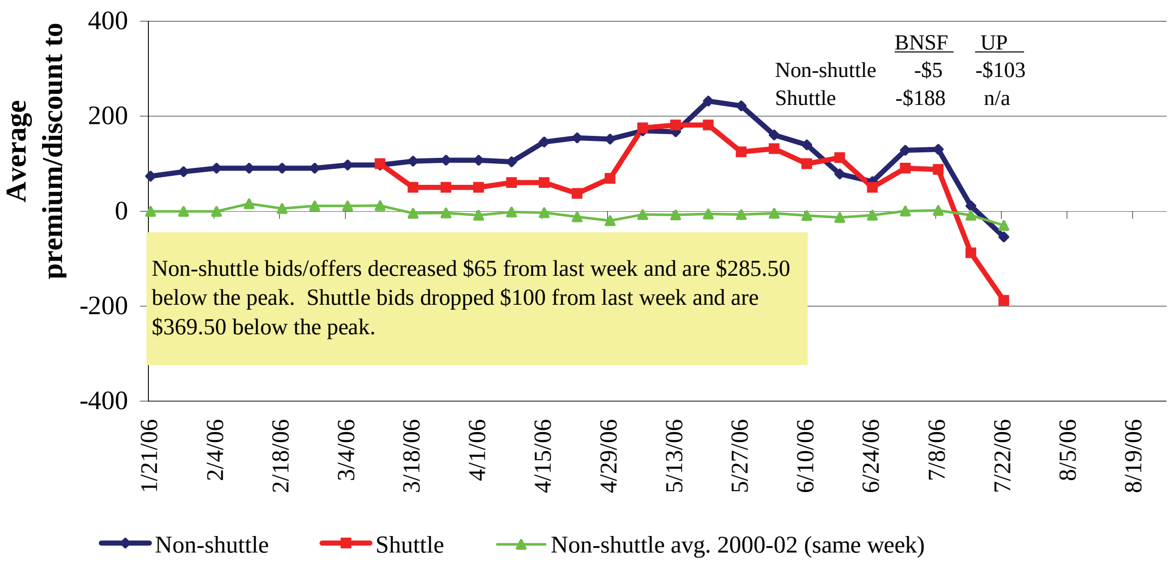
Source: Transportation & Marketing Programs/AMS/USDA. n/a = not applicable

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in August 2006, Secondary Market

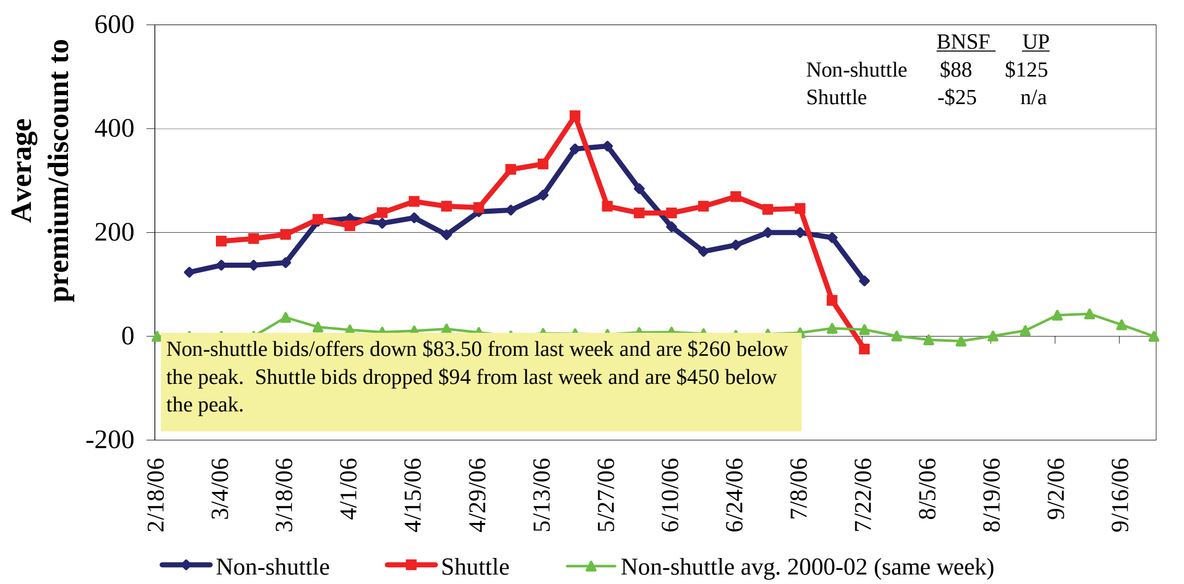


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in September 2006, Secondary Market

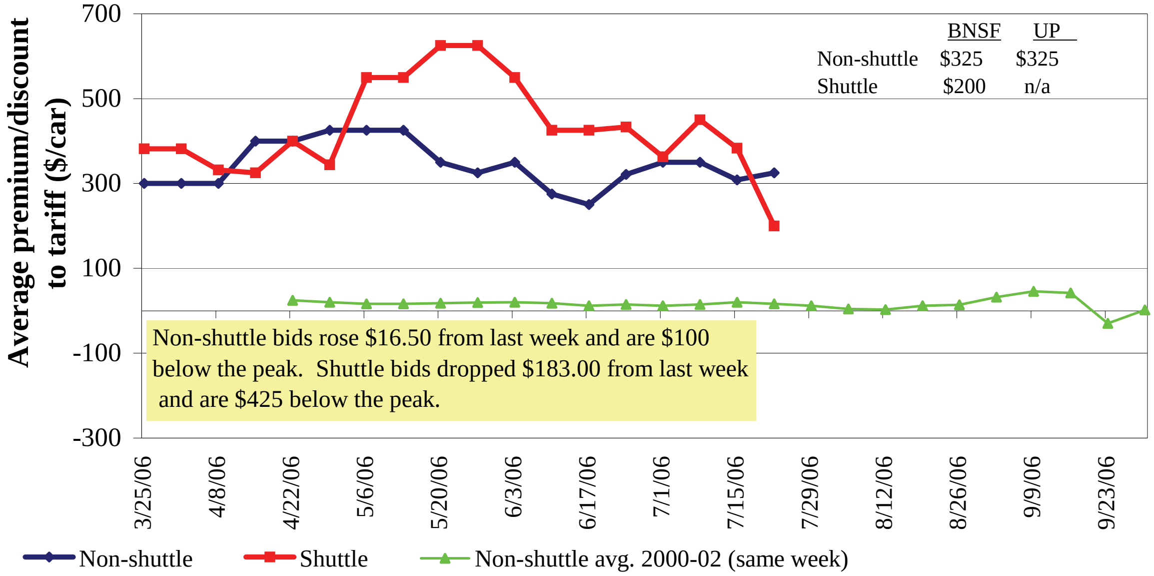


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in October 2006, Secondary Market



Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	Delivery period					
7/22/2006	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07
Non-shuttle						
BNSF-GF	-5	88	325	300	300	n/a
Change from last week	-33	-129	0	0	0	n/a
Change from same week 2005	n/a	-215	58	46	25	n/a
UP-Pool	-103	125	325	n/a	n/a	n/a
Change from last week	-97	-38	33	n/a	n/a	n/a
Change from same week 2005	n/a	-78	83	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	-188	-25	200	175	0	n/a
Change from last week	-100	-94	-183	-75	0	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	n/a	n/a	n/a	n/a	n/a	n/a
Change from last week	n/a	n/a	n/a	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = n/a; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 7/3/2006	Origin region	Destination region	Rate/car	As % of same month last year	Rate per metric ton	Rate per bushel[2]
Unit train[1]						
Wheat	Chicago, IL	Albany, NY	$1,861	100	$20.51	$0.56
	Kansas City, MO	Galveston, TX	$2,120	105	$23.37	$0.64
	South Central, KS	Galveston, TX	$2,550	104	$28.11	$0.77
	Minneapolis, MN	Houston, TX	$3,020	125	$33.29	$0.91
	St. Louis, MO	Houston, TX	$2,460	104	$27.12	$0.74
	South Central, ND	Houston, TX	$4,149	111	$45.73	$1.24
	Minneapolis, MN	Portland, OR	$3,840	91	$42.33	$1.15
	South Central, ND	Portland, OR	$3,840	91	$42.33	$1.15
	Northwest, KS	Portland, OR	$4,490	102	$49.49	$1.35
	Chicago, IL	Richmond, VA	$2,161	108	$23.82	$0.65
Corn	Chicago, IL	Baton Rouge, LA	$2,610	104	$28.77	$0.73
	Council Bluffs, IA	Baton Rouge, LA	$2,470	104	$27.23	$0.69
	Kansas City, MO	Dalhart, TX	$2,365	120	$26.07	$0.66
	Minneapolis, MN	Portland, OR	$3,200	89	$35.27	$0.90
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.55
	Columbus, OH	Raleigh, NC	$1,850	109	$20.39	$0.52
	Council Bluffs, IA	Stockton, CA	$3,606	100	$39.75	$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	$2,655	108	$29.27	$0.80
	Council Bluffs, IA	Baton Rouge, LA	$2,515	109	$27.72	$0.75
	Minneapolis, MN	Portland, OR	$3,610	100	$39.79	$1.08
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.59
	Chicago, IL	Raleigh, NC	$2,561	107	$28.23	$0.77
Shuttle train[1]						
Wheat	St. Louis, MO	Houston, TX	$2,050	113	$22.60	$0.62
	Minneapolis, MN	Portland, OR	$3,640	93	$40.12	$1.09
Corn	Fremont, NE	Houston, TX	$2,196	82	$24.21	$0.61
	Minneapolis, MN	Portland, OR	$3,096	90	$34.13	$0.87
Soybeans	Council Bluffs, IA	Houston, TX	$2,412	87	$26.59	$0.72
	Minneapolis, MN	Portland, OR	$3,170	93	$34.94	$0.95

[1]A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to U.S.-Mexico Border Crossings

Effective date:	07/03/06				**As % of**		
Commodity	**Origin state**	**Border crossing region**	**Train size**[1]	**Tariff rate**[2]	**same month last year**	**Rate per metric ton**	**Rate per bushel**[3]
Wheat	KS	Brownsville, TX	Shuttle	$2,959	104	$30.23	$0.82
	ND	Eagle Pass, TX	Unit	$4,474	83	$45.71	$1.24
	OK	El Paso, TX	Shuttle	$2,235	99	$22.84	$0.62
	OK	El Paso, TX	Unit	$2,540	104	$25.95	$0.71
	AR	Laredo, TX	Unit	$2,600	109	$26.57	$0.72
	IL	Laredo, TX	Unit	$3,405	107	$34.79	$0.95
	MT	Laredo, TX	Shuttle	$3,980	93	$40.67	$1.11
	TX	Laredo, TX	Shuttle	$2,274	105	$23.23	$0.63
	MO	Laredo, TX	Shuttle	$2,840	104	$29.02	$0.79
	WI	Laredo, TX	Unit	$3,623	106	$37.02	$1.01
Corn	NE	Brownsville, TX	Shuttle	$3,543	114	$36.20	$0.92
	NE	Brownsville, TX	Unit	$3,623\[4]	99	$37.02	$0.94
	IA	Eagle Pass, TX	Unit	$3,773	113	$38.55	$0.98
	MO	Eagle Pass, TX	Shuttle	$3,364\[4]	111	$34.37	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,764\[4]	109	$38.46	$0.98
	IA	Laredo, TX	Shuttle	$3,696	113	$37.76	$0.96
Soybean	IA	Brownsville, TX	Shuttle	$3,318	115	$33.90	$0.92
	MN	Brownsville, TX	Shuttle	$3,614	114	$36.93	$1.00
	NE	Brownsville, TX	Shuttle	$3,127	116	$31.95	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,203	116	$32.73	$0.89
	IA	Laredo, TX	Unit	$3,357	115	$34.30	$0.93

[1]A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Rates are based upon published tariff rates for high-capacity rail cars.

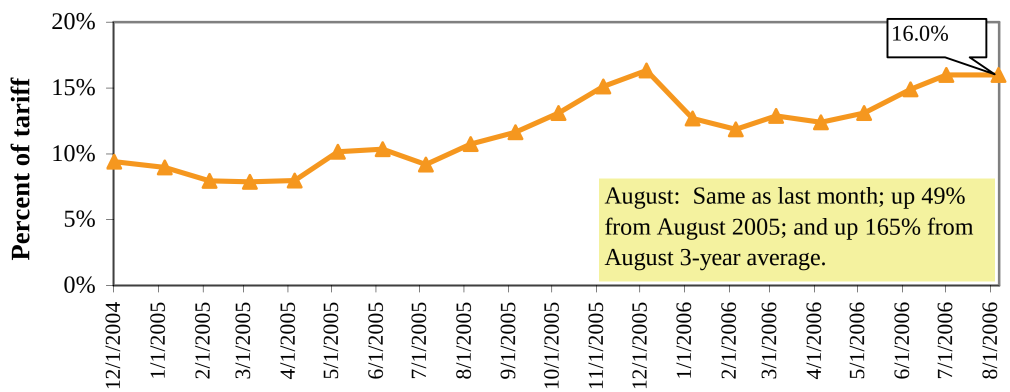
[3]Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

Sources: www.bnsf.com, www.uprr.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]



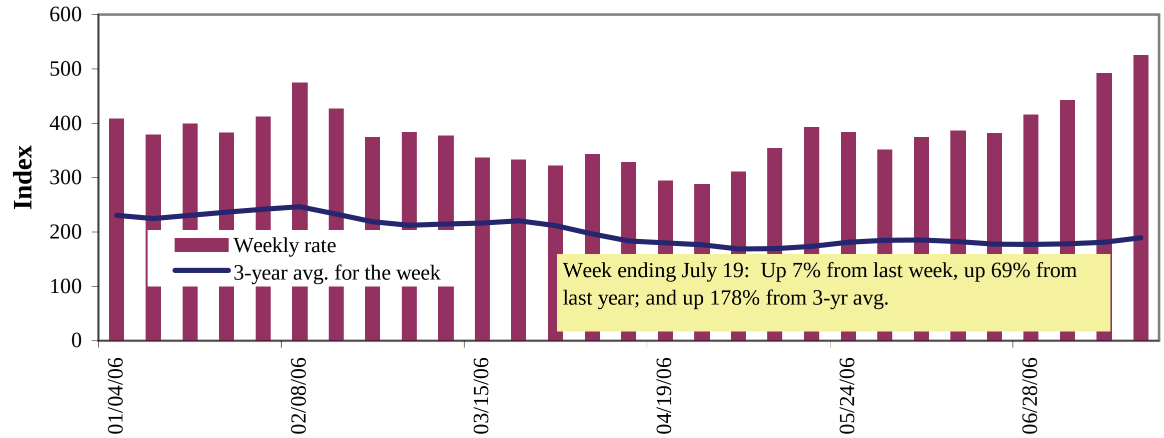
[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.

Sources: www.bnsf.com, www.cn.ca, www8.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Rate Index - Quotes[1,2]



[1] Index = percent of tariff rate; [2]4-week moving average for the 3-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Rate Quotes: Southbound Barge Freight

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Index[1]	7/19/2006	647	561	526	504	479	486	470
	7/12/2006	592	504	493	481	480	482	419
$/ton	7/19/2006	40.05	29.85	24.41	20.11	22.47	19.63	14.76
	7/12/2006	36.64	26.81	22.88	19.19	22.51	19.47	13.16
Current week % change from the same week:								
	Last year	58	63	69	83	94	96	97
	3-year avg. [2]	172	183	178	256	228	231	258
Index	August	650	563	548	552	551	554	556
	October	679	641	637	646	637	638	653

[1]Index = percent of tariff, based on 1976 tariff benchmark rate; [2]4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8). The index, along with rate quotes and futures market bids are indicators of grain transport supply and demand.

Figure 9

Benchmark tariff rates

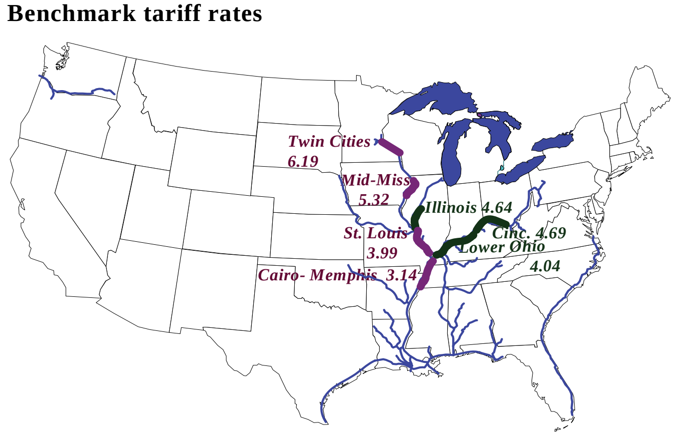
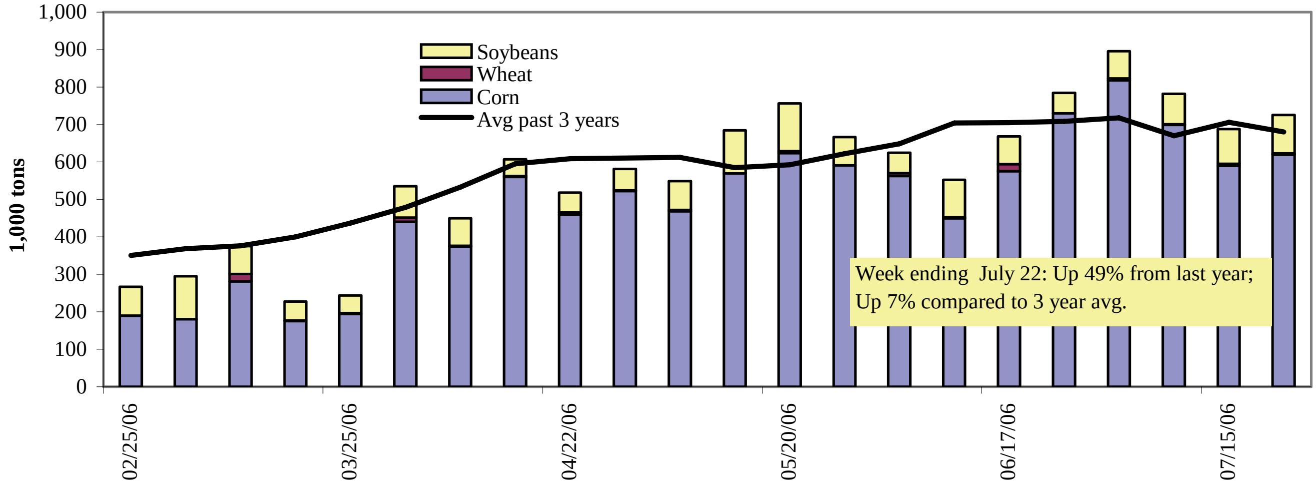


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



[1] The 3-year average is a 4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 10

Barge Grain Movements (1,000 tons)

Week ending 7/22/2006	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	336	0	24	0	360
Winfield, MO (L25)	439	0	64	0	503
Alton, IL (L26)	656	3	113	0	772
Granite City, IL (L27)	620	3	103	0	727
Illinois River (L8)	151	2	22	0	174
Ohio River (L52)	43	20	19	0	82
Arkansas River (L1)	0	36	11	8	56
Weekly total - 2006	663	59	133	8	865
Weekly total - 2005	472	32	87	14	605
2006 YTD[1]	15,204	723	3,616	407	19,950
2005 YTD	13,019	980	4,132	403	18,534
2006 as % of 2005 YTD	117	74	88	101	108
Last 4 weeks as % of 2005[2]	n/a	n/a	n/a	n/a	n/a
Total 2005	23,761	1,620	7,276	731	33,388

[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

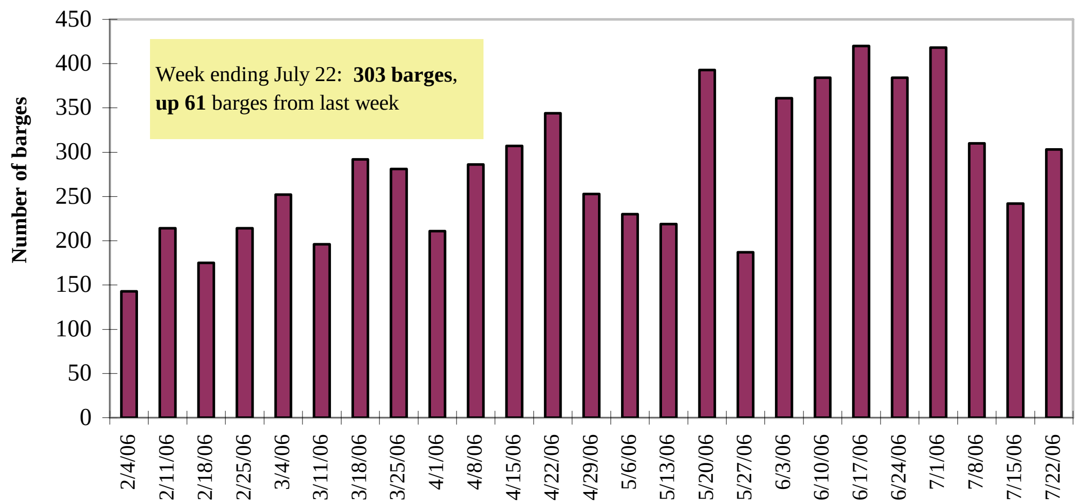
[2] As a percent of same period in 2005.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11

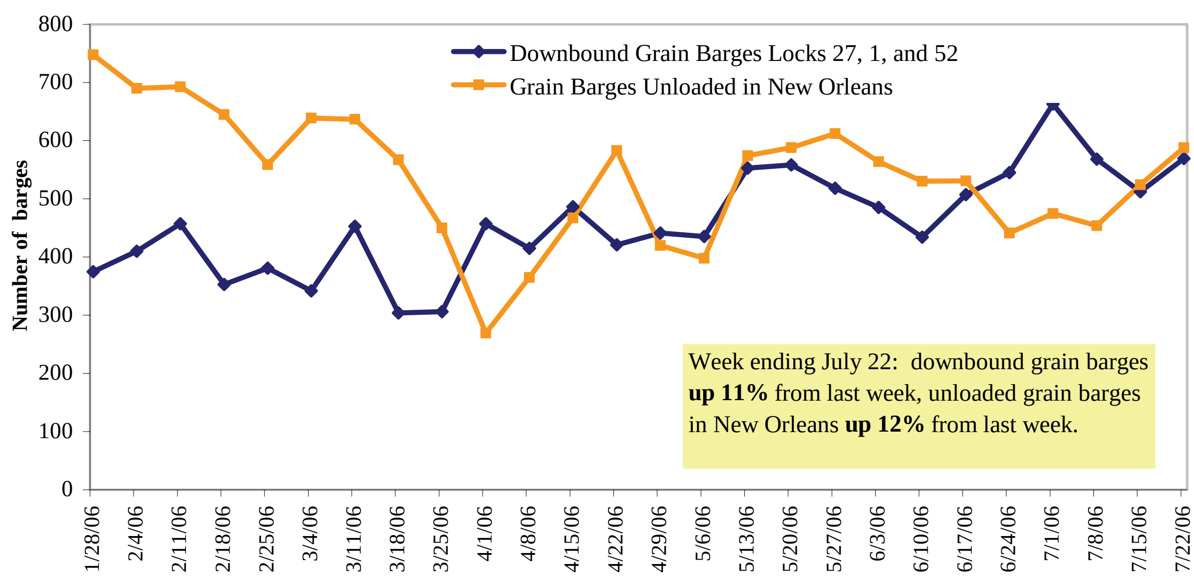
Upbound Empty Barges Transiting Mississippi River Lock 27



Source: Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 7/24/06 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	2.925	0.019	0.560
	New England	2.972	0.002	0.464
	Central Atlantic	3.002	0.010	0.521
	Lower Atlantic	2.888	0.024	0.585
II	Midwest[1]	2.951	0.024	0.659
III	Gulf Coast[2]	2.895	0.027	0.617
IV	Rocky Mountain	2.987	0.027	0.582
V	West Coast	3.047	-0.004	0.517
	California	3.097	0.000	0.519
Total	U.S.	2.946	0.020	0.604

[1]Diesel fuel prices include all taxes.

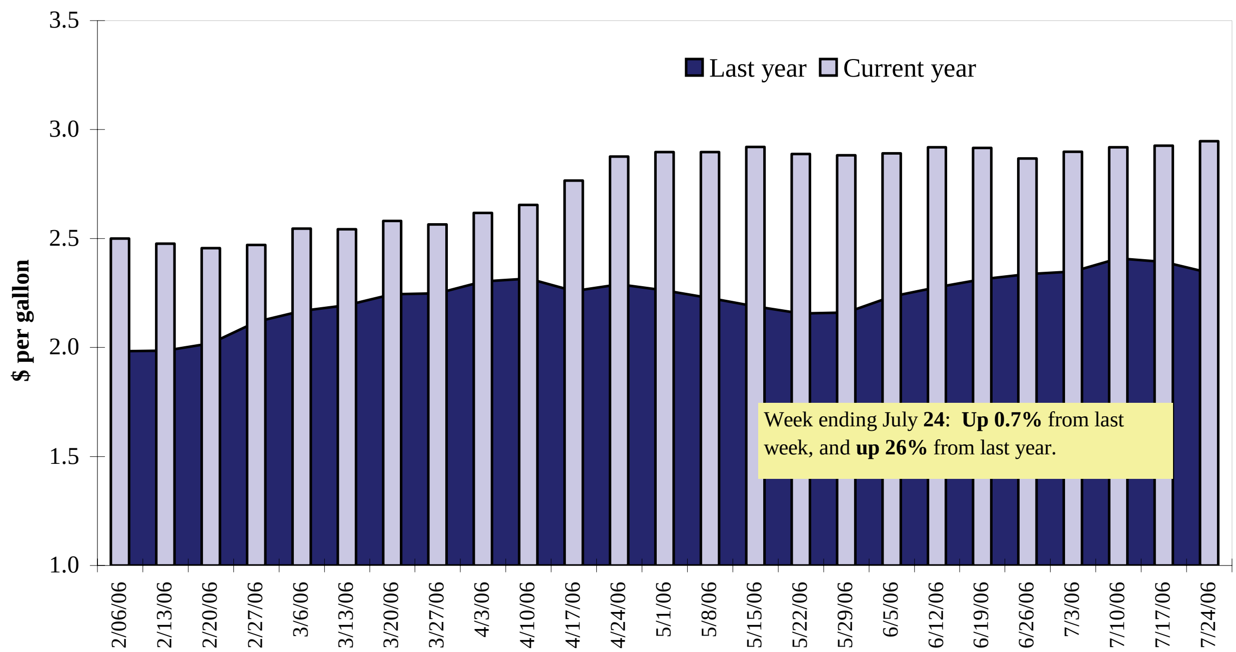
[2]Same as North Central

[3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending[1]	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances									
7/13/2006	989	511	982	696	283	3,461	7,794	2,000	13,255
This week year ago	2,077	348	1,270	496	95	4,286	5,508	1,267	11,061
Cumulative exports-crop year [2]									
2005/06 YTD	646	285	877	477	90	2,375	45,358	23,330	71,063
2004/05 YTD	992	199	902	229	103	2,425	39,499	28,895	70,819
YTD 2005/06 as % of 2004/05	65	143	97	208	87	98	115	81	100
Last 4 wks as % of same period 2004/05	51	139	86	144	286	85	157	158	129
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948
2003/04 Total	12,697	3,785	6,928	4,895	1,053	29,359	47,704	24,108	101,171

[1] Current unshipped export sales to date

[2] Shipped export sales to date, new crop year now in efect for wheat

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 07/13/06	**Total Commitments[2]**			**% change**	**Exports[3]**
	2006/07	**2005/06**	**2004/05**	**current CY**	
Crop Year (CY)	**Next CY**	**Current CY**	**Last CY**	**from last CY**	**2004/05**
		- 1,000 mt -			**- 1,000 mt -**
Japan	1,262	16,461	15,449	7	16,429
Mexico	312	6,686	5,801	15	6,278
Taiwan	74	5,053	4,480	13	4,690
Egypt	0	3,844	3,788	1	4,563
Korea	1	5,039	1,837	174	2,268
Top 5 importers	**1,649**	**37,084**	**31,355**	18	**32,143**
Total US corn export sales	**2,582**	**53,152**	**45,006**	**18**	
Top 5 importers' share of U.S. corn export sales	64%	70%	70%		
USDA forecast, July 2006	**54,610**	**53,340**	**46,078**	**16**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 07/13/06	Total Commitments[2]			% change	Exports[3]
	2006/07	2005/06	2004/05	current CY	
Crop Year (CY)	Next CY	Current CY	Last CY	from last CY	2004/05
		- 1,000 mt -			- 1,000 mt -
China	1,867	9,814	11,850	(17)	11,850
Mexico	71	3,446	3,383	2	3,579
Japan	394	3,036	3,095	(2)	3,289
Taiwan	6	1,796	1,570	14	1,585
Indonesia	0	1,193	953	25	1,079
Top 5 importers	**2,338**	**19,286**	**20,851**	(8)	**21,382**
Total US soybean export sales	**3,340**	**25,330**	**30,162**	**(16)**	
Top 5 importers' share of U.S. soybean export sales	70%	76%	69%		
USDA forecast, July 2006	**29,670**	**24,630**	**30,019**	**(18)**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped).

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week ending 07/13/06	Total Commitments[2]		% change	Exports[3]
	2006/07	2005/06	current CY	
Crop Year (CY)	Current CY	Last CY	from last CY	2005/06
	- 1,000 mt -			- 1,000 mt -
Nigeria	401	575	(30)	3,098
Japan	909	759	20	3,061
Mexico	723	582	24	2,625
Iraq	0	268	(100)	1,237
Philippines	803	419	92	1,878
Egypt	233	228	2	1,952
Korea, South	253	347	(27)	1,191
Venezuela	187	196	(5)	1,085
Taiwan	238	241	(1)	953
Italy	208	175	19	748
Top 10 importers	**3,554**	**3,214**	**11**	**17,827**
Total US wheat export sales	**5,507**	**6,122**	**(10)**	
Top 10 importers' share of U.S. wheat export sales	65%	53%		
USDA forecast, July 2006	**24,490**	**27,325**	**(10)**	

(n) indicates negative number.

[1]Based on FAS 2005/06 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 07/20/06	2006 YTD[1]	2005 YTD[1]	2006 YTD as % of 2005 YTD	Last 4-weeks as % of: 2005	Last 4-weeks as % of: 3-yr. avg.	Total[1] 2005
Pacific Northwest							
Wheat	256	6,130	5,491	112	151	116	10,801
Corn	252	5,851	5,746	102	118	135	10,130
Soybeans	129	2,687	3,397	79	220	222	6,225
Total	**638**	**14,669**	**14,634**	**100**	**136**	**134**	**27,156**
Mississippi Gulf							
Wheat	98	2,260	2,914	78	92	68	4,643
Corn	783	19,727	15,433	128	135	116	28,202
Soybeans	99	7,713	8,394	92	152	146	14,793
Total	**981**	**29,700**	**26,741**	**111**	**132**	**112**	**47,638**
Texas Gulf							
Wheat	35	3,359	3,576	94	43	43	7,743
Corn	94	1,344	301	446	775	2,076	812
Soybeans	0	27	6	470	n/a	566	36
Total	**128**	**4,731**	**3,883**	**122**	**65**	**66**	**8,591**
Great Lakes							
Wheat	42	633	854	74	121	148	2,067
Corn	80	791	255	311	466	326	796
Soybeans	0	38	27	140	n/a	0	828
Total	**122**	**1,462**	**1,136**	**129**	**215**	**214**	**3,691**
Atlantic							
Wheat	25	236	108	218	516	161	301
Corn	0	364	52	698	373	1,120	249
Soybeans	0	298	419	71	n/a	0	801
Total	**25**	**899**	**579**	**155**	**454**	**232**	**1,352**
U.S. total from ports[2]							
Wheat	457	12,619	12,944	97	94	97	25,556
Corn	1,208	28,078	21,786	129	140	132	40,189
Soybeans	228	10,764	12,242	88	171	137	22,683
Total	**1,894**	**51,460**	**46,972**	**110**	**129**	**122**	**88,428**

[1] Includes weekly revisions

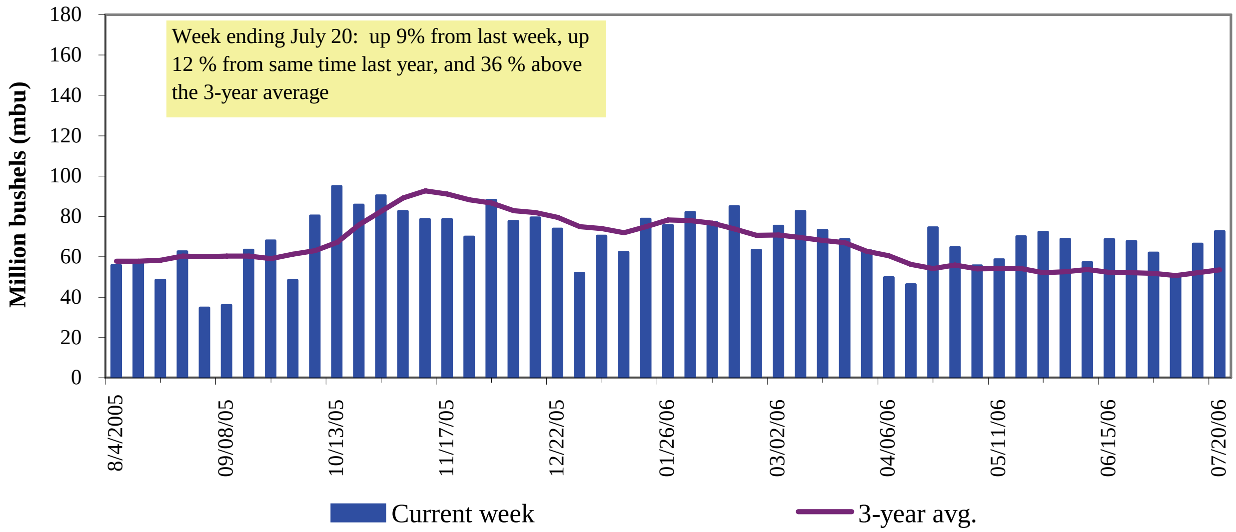
[2] Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 49 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2005.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

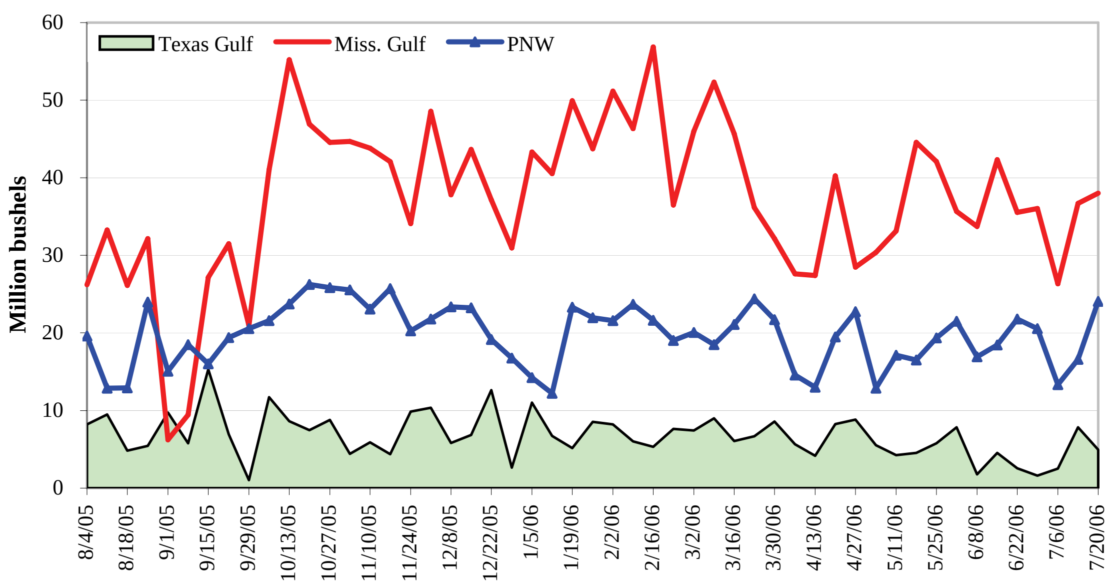


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

July 20, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 4	down 37	down 3	up 45
Last year (same week)	down 3	down 41	down 10	up 50
3-yr avg. (4-wk run. avg)	up 23	down 23	up 15	up 70

Ocean Transportation

Table 17

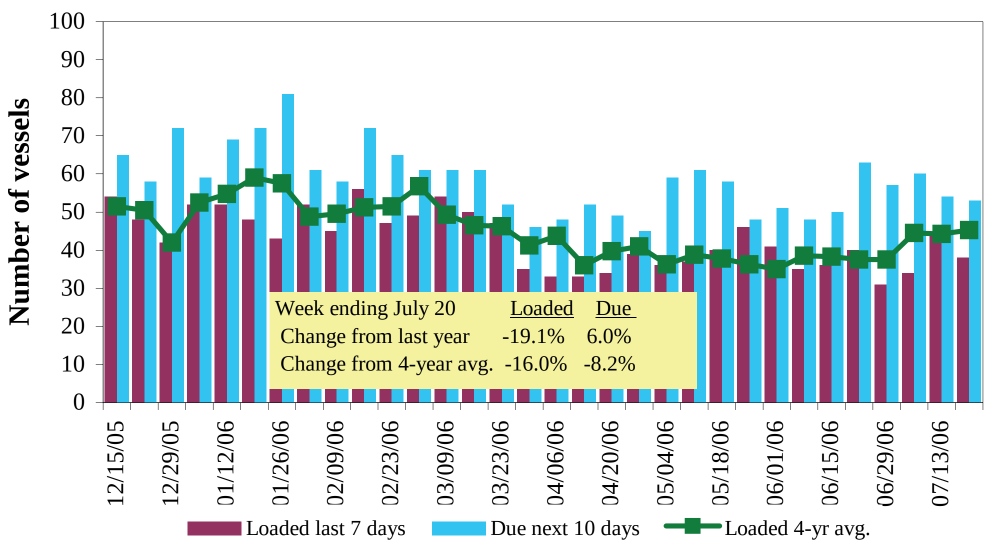
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
7/20/2006	23	38	53	6	7
7/13/2006	36	44	54	7	5
2005 range	(11..57)	(10..56)	(18..76)	(2..16)	(0..17)
2005 avg.	27	39	53	9	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf[1] Vessel Loading Activity, 2005/06

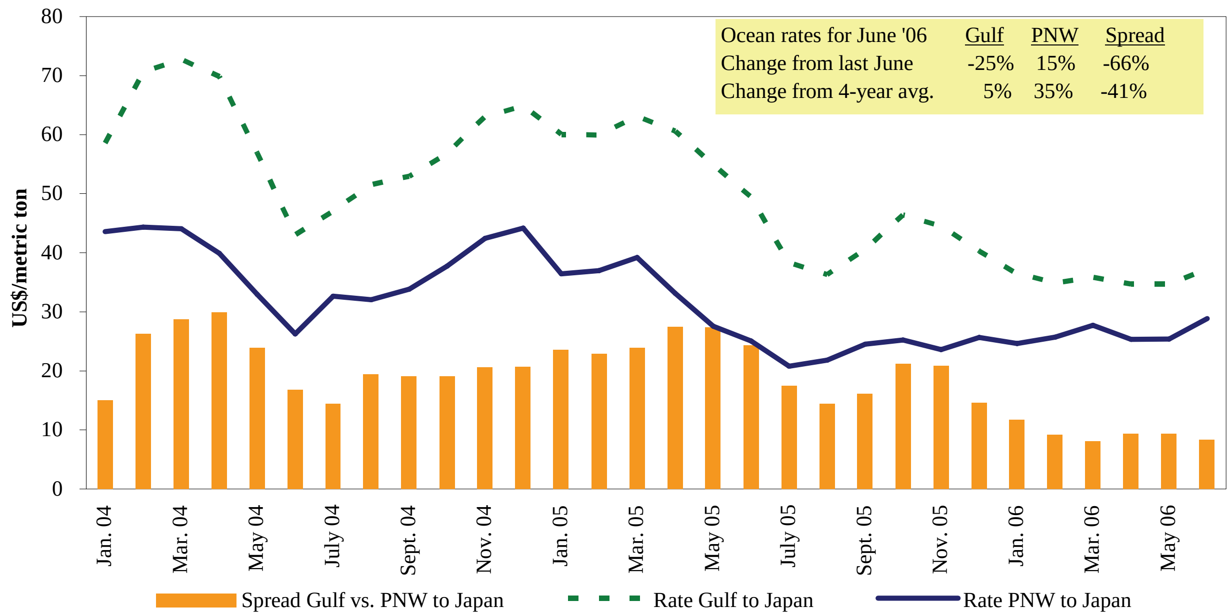


Source:Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 7/22/06

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	South Korea	Hvy Grain	Jul 5/10	55,000	36.00
U.S. Gulf	Honduras	Soybean Meal	Jul 5/15	10,000	83.01
Ukraine	Morocco	Hvy Grain	Jun 19/26	20,000	20.00
Gt Lakes/St. Lawrence	Jordan[1]	Wheat	Jun 15/30	22,709	54.50
River Plate	Algeria	Hvy Grain	Jun 20/30	20,000	44.75
River Plate	Algeria	Hvy Grain	May 20/25	25,000	37.00
River Plate	Poland	Hvy Grain	May 20/ Jul 10	30,000	42.00
River Plate	Poland	Hvy Grain	May 20/30	30,000	42.00

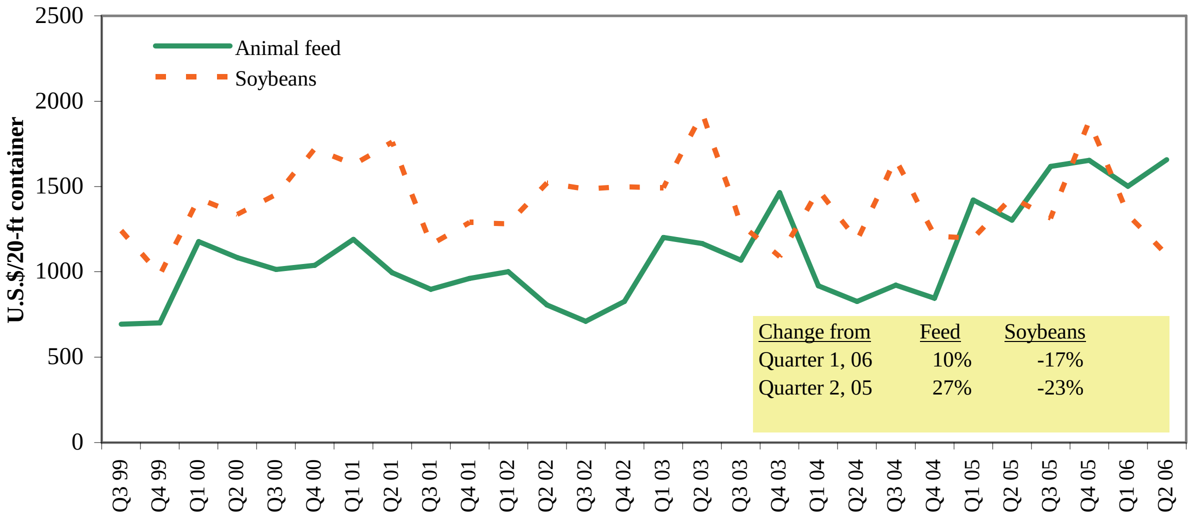
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

[1]75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

Source: Maritime Research Inc. (www.maritime-research.com)

Figure 18

Ocean Rates[1] for Containerized Shipments to Selected Asian Countries



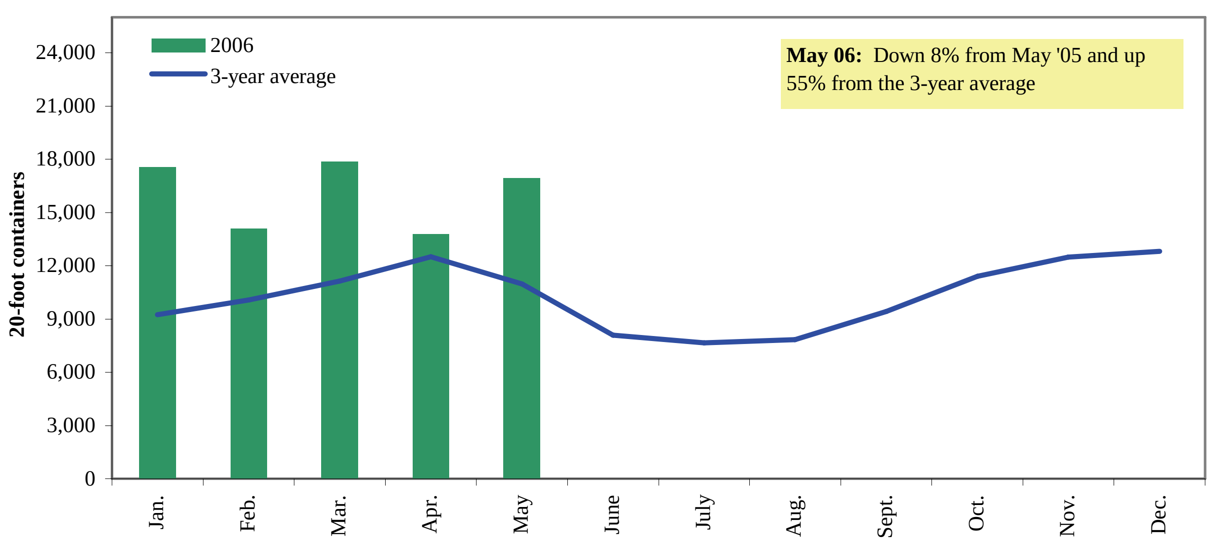
[1]Rates are weighted by shipping line market share and destination country.
Countries include: Animal Feed: Busan-Korea (11%), Kaohsiung-Taiwan (32%), Tokyo-Japan (33%), Hong Kong (15%), Bangkok-Thailand (9%) and soybeans: Busan-Korea (1%), Kaohsiung-Taiwan (83%), Tokyo-Japan (12%), Bangkok-Thailand (3%), Hong Kong (1%)
Source: Ocean Rate Bulletin, Quarter 2, 2006, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2005, containers were used to transport 4 percent of total U.S. grain exported, and 5 percent of total U.S. grain exported to Asia.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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